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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Kingworld Medicines Group Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**KINGWORLD MEDICINES GROUP LIMITED**

**金活醫藥集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 01110)**

### **(1) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A letter from the Board is set out on pages 5 to 11 of this circular.

A notice convening the Extraordinary General Meeting of Kingworld Medicines Group Limited to be held at Conference Room, 9th Floor, Block A, Majialong Chuangxin Building, 198 Daxin Road, Nanshan District, Shenzhen, Guangdong Province, the PRC on Friday, 20 August 2021 at 10:00 a.m. is set out on pages 25 to 27 of this circular. A form of proxy for use at the Extraordinary General Meeting is enclosed in this circular. Whether or not you are able to attend such meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof should you so wish.

27 July 2021

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“2010 Share Option Scheme”	the share option scheme adopted by the Company on 5 November 2010
“Adoption Date”	the date on which the New Share Option Scheme is adopted by an ordinary resolution to be passed by the Shareholders at the Extraordinary General Meeting
“Articles”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auditors”	the auditors for the time being of the Company
“Board”	the board of Directors of the Company
“business day”	a day (other than a Saturday or a Sunday) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities
“chief executive”	has the meaning ascribed to it under the Listing Rules
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Kingworld Medicines Group Limited (金活醫藥集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 01110)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	the date on which the Board resolves to make an Offer of an Option to a Participant, which date must be a business day
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described and subject to adjustments as set out in the provisions of the New Share Option Scheme
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, approval the adoption of the New Share Option Scheme, the notice of which is set out on pages 25 to 27 of this circular
“Financial Adviser”	an independent financial adviser of the Company
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	20 July 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme to be proposed for adoption by the Company at the Extraordinary General Meeting, a summary of principal terms of which is set out in Appendix to this circular
“Offer”	the offer of the grant of an Option made in accordance with the New Share Option Scheme

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## DEFINITIONS

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“Option(s)”	a right granted to subscribe for Shares pursuant to the New Share Option Scheme
“Option Period”	in respect of an Option, a period to be determined by the Board at its absolute discretion and notified by the Board to the Grantee as being the period during which an Option may be exercised and in any event such period of time shall not exceed a period of ten (10) years commencing on the Date of Grant
“Participant”	(a) any executive director or employee (whether full time or part time) of any member of the Group; (b) any non-executive director (including independent non-executive directors) of any member of the Group; (c) any supplier of goods or services to any member of the Group; (d) any customer of any member of the Group; (e) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group; (f) any shareholder of any member of the Group or any holder of any securities issued by any member of the Group; (g) any joint venture partner, business or strategic alliance partner, in each case of any member of the Group; (h) any discretionary trust whose discretionary objects may be any executive director or employee (whether full time or part time) and any non-executive director (including independent non-executive directors) of any member of the Group, any supplier of goods or services to any member of the Group, any customer of any member of the Group, any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group, any shareholder of any member of the Group or any holder of any securities issued by any member of the Group, and any joint venture partner, business or strategic alliance partner, in each case of any member of the Group
“PRC”	the People’s Republic of China

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the issued share capital of the Company or, if there has been a subsequent subdivision, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the share capital of the Company resulting from such sub-division, reduction, consolidation, reclassification or reconstruction
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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## LETTER FROM THE BOARD

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**KINGWORLD MEDICINES GROUP LIMITED**  
**金活醫藥集團有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 01110)**

*Executive Directors:*

Mr. Zhao Li Sheng  
Ms. Chan Lok San  
Mr. Zhou Xuhua

*Independent non-executive Directors:*

Mr. Duan Jidong  
Mr. Zhang Jianbin  
Mr. Wong Cheuk Lam

*Registered office:*

Windward 3  
Regatta Office Park  
PO Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

*Principal place of business in Hong Kong:*

Units 1906-1907, 19th Floor  
Shui On Centre  
6-8 Harbour Road  
Wanchai  
Hong Kong

27 July 2021

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**(1) INTRODUCTION**

Reference is made to the announcement of the Company dated 23 June 2021 in relation to the proposed adoption of New Share Option Scheme.

The purpose of this circular is to provide you with information on the resolution regarding the proposed adoption of the New Share Option Scheme to be proposed at the Extraordinary General Meeting and to set out the notice of Extraordinary General Meeting.

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## LETTER FROM THE BOARD

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### (2) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The 2010 Share Option Scheme has a term of ten (10) years and has expired on 4 November 2020. In light of the expiry of the 2010 Share Option Scheme, the Board proposes to recommend to the Shareholders to approve the adoption of the New Share Option Scheme. The New Share Option Scheme will become effective after all the conditions precedent as referred to under the paragraph headed “Conditions precedent of the New Share Option Scheme” in this circular have been fulfilled. The Company had no subsisting share option scheme as at the Latest Practicable Date.

Upon the expiry of the 2010 Share Option Scheme, no further options can be granted thereunder, but its provisions shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted thereunder prior to its expiry which remain outstanding, and the exercise of such options shall be subject to and in accordance with the terms on which they were granted, the provisions of the 2010 Share Option Scheme and the Listing Rules.

The purpose of the New Share Option Scheme is to provide incentives or rewards to Participants for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are available to the Group. The New Share Option Scheme will give the Participants an opportunity to have a personal stake in the Company and will help achieve the following objectives: (i) motivate the Participants to optimise their performance and efficiency; and (ii) attract and retain the Participants whose contributions are important to the long-term growth and profitability of the Group.

The Board is of the view that the inclusion of the persons other than the directors and employees of the Group as part of the Participants is appropriate and in the interests of the Company and the Shareholders as a whole, given that the success of the Group requires the co-operation and contribution not only from its directors and employees, but also from various other parties who play an instrumental role in and make actual or potential contribution to the business and development of the Group, which may include consultants, advisors, joint venture, business or strategic alliance partners and shareholders of the Group. As the Group is principally engaged in the distribution of pharmaceutical and healthcare products in the PRC, the Board acknowledges the necessity in maintaining the existing business relationships and exploring potential partnerships with the aforesaid stakeholders, being a Participant who are not directors or employees of the Group, who have provided services and professional advice and expertise in respect of research, development or other technological support to the Group, so as to maintain the Group’s competitiveness in long term. Further, the Board considers that the Participants will share common interests and objectives with the Group upon their exercise of the Options, which is beneficial to the sustainable development of the Group.

In assessing the eligibility of a Participant other than directors or employees of the Group, the Board will take into account a wide range of factors, including but not limited to, the scale of their business dealings with the Group (in terms of sales or purchases attributable to them, if applicable), the length of business relationships between them and the Group, the positive



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## LETTER FROM THE BOARD

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impacts they have brought on the Group's business development, the Group's future business plans in relation to further collaboration with the stakeholders and the long term support the Group may receive from the shareholders of the Group. As such, the Board is of the view that with the adoption of the New Share Option Scheme that covers a broad category of Participants, the Group will be well-placed to incentivise those who or which have been central to the business development of the Group to make further contribution on a continuing basis.

As at the Latest Practicable Date, the Company had granted 45,716,000 options to subscribe for Shares under the 2010 Share Option Scheme, 23,308,000 of which had lapsed. No further options were granted under the 2010 Share Option Scheme after it expired on 4 November 2020.

Subject to obtaining approval from the Shareholders with respect to the adoption of the New Share Option Scheme, the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other schemes must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date, unless the Company obtains approval from the Shareholders in a general meeting to refresh such limit in accordance with the Listing Rules. Options lapsed in accordance with the terms of the New Share Option Scheme and any other share option schemes of the Company will not be counted for the purpose of calculating such 10% limit. The maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time.

As at the Latest Practicable Date, there were a total of 622,500,000 Shares in issue. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be issued upon exercise of all Options which may be granted pursuant to the New Share Option Scheme and any other share option schemes of the Company will be 62,250,000 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date. The Company may seek approval by its Shareholders to renew the 10% limit on the basis that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

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## LETTER FROM THE BOARD

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### **(3) CONDITIONS PRECEDENT OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall take effect subject to the following conditions:

- (a) the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders at the Extraordinary General Meeting and authorising the Board to grant Options to subscribe for Shares hereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of any Options granted under the New Share Option Scheme.

An application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

Once the New Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of a material nature, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

### **(4) VALUE OF THE OPTIONS**

The Directors consider that it is not appropriate to state the value of all Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date, as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include but are not limited to the Exercise Price, exercise period, any lock-up period, any performance targets set and other relevant variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

### **(5) PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME**

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix to this circular. The terms of the New Share Option Scheme are in line with the provisions of Chapter 17 of the Listing Rules, which governs the terms of the share option schemes of listed companies.

The terms of the New Share Option Scheme provide that in granting Options under the New Share Option Scheme, the Board may offer to grant any Options to any Participant as the Board may in its absolute discretion select, and subject to such terms and conditions as the Board may think fit, which may include a condition that the Grantee shall not dispose of the

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## LETTER FROM THE BOARD

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Shares issued upon exercise of the Option within such period of time or under such conditions as the Board may in its absolute discretion determine, the minimum period for which an Option must be held and performance targets that must be achieved before an Option can be exercised. The Board will also determine the Exercise Price in respect of any Options. The Board believes that this will provide the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant and help facilitate the achievement of the purpose of the New Share Option Scheme, which is to provide incentives or rewards to Participants for their contribution to the Group, and will place the Group in a better position to attract and retain valuable human resources.

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee of the New Share Option Scheme, if any.

### **(6) EXTRAORDINARY GENERAL MEETING**

A notice convening the Extraordinary General Meeting to be held at Conference Room, 9th Floor, Block A, Majialong Chuangxin Building, 198 Daxin Road, Nanshan District, Shenzhen, Guangdong Province, the PRC on Friday, 20 August 2021 at 10:00 a.m. is set out on pages 25 to 27 of this circular.

At the Extraordinary General Meeting, an ordinary resolution will be proposed to approve the adoption of the New Share Option Scheme and to authorise the Directors to enter into all such transactions, arrangements and agreements, to approve and execute all documents, instruments and agreements and to do all such acts as they may consider necessary, appropriate or expedient to give full effect to the New Share Option Scheme.

A form of proxy for use at the Extraordinary General Meeting is enclosed in this circular. Whether or not you are able to attend such meeting, please complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the Extraordinary General Meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution to be passed at the Extraordinary General Meeting pursuant to the Memorandum and Articles. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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Pursuant to the Articles, for the purpose of holding the Extraordinary General Meeting, the register of members of the Company will be closed from Monday, 16 August 2021 to Friday, 20 August 2021 (both days inclusive), during which period no transfer of Shares of the Company will be registered.

In order to be qualified for attending and voting at the Extraordinary General Meeting, Shareholders must lodge all share transfer documents with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 13 August 2021.

To the extent that the Board is aware having made all reasonable enquiries, as at the Latest Practicable Date:

- (i) there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder;
- (ii) there was no obligation or entitlement of any Shareholder whereby he, she or it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his, her or its Shares to a third party, either generally or on a case-by-case basis; and
- (iii) it was not expected that there would be any discrepancy between any Shareholder's beneficial shareholding interest in the Company, and the number of Shares in the Company in respect of which he, she, or it would control or would be entitled to exercise control over the voting right at the EGM.

### **(7) DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the rules of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong, Units 1906-1907, 19th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong at normal business hours from the date of this circular up to and including the date of the Extraordinary General Meeting, which is a period of not less than 14 days before the date of the Extraordinary General Meeting.

### **(8) RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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## LETTER FROM THE BOARD

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### (9) RECOMMENDATION

The Directors consider that the adoption of the New Share Option Scheme is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the ordinary resolution to be proposed at the Extraordinary General Meeting approving the adoption of the New Share Option Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolution to be proposed at the Extraordinary General Meeting approving the adoption of the New Share Option Scheme.

Yours faithfully,  
By order of the Board  
**Kingworld Medicines Group Limited**  
**Zhao Li Sheng**  
*Chairman*

*The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved at the Extraordinary General Meeting. This summary does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme:*

## **1. PURPOSE**

- 1.1 The purpose of the New Share Option Scheme is to provide incentives or rewards to Participants for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are available to the Group.
- 1.2 The New Share Option Scheme will give the Participants an opportunity to have a personal stake in the Company and will help achieve the following objectives:
- (i) motivate the Participants to optimise their performance and efficiency; and
  - (ii) attract and retain the Participants whose contributions are important to the long-term growth and profitability of the Group.

## **2. CONDITIONS**

The New Share Option Scheme shall take effect subject to the following conditions:

- (i) the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders in the Extraordinary General Meeting and authorising the Board to grant Options to subscribe for Shares hereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of any Options granted under the New Share Option Scheme.

## **3. DETERMINATION OF ELIGIBILITY**

The basis of eligibility of any Participant to the grant of any Option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time at its absolute discretion on the basis of the Participant's contribution or potential contribution to the development and growth of the Group.

**4. DURATION AND ADMINISTRATION**

- 4.1 Subject to the fulfilment of the conditions in paragraph 2 and the termination provisions in paragraph 15, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Options shall be offered or granted, but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options granted during the life of the New Share Option Scheme shall continue to be exercisable in accordance with their terms of grant within the Option Period.
- 4.2 The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising from or in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties to the New Share Option Scheme.
- 4.3 Subject to compliance with the requirements of the Listing Rules and the provisions of the New Share Option Scheme, the Board shall have the right to (a) interpret and construe the provisions of the New Share Option Scheme; (b) to determine the persons (if any) who will be offered Options under the New Share Option Scheme; (c) determine the Exercise Price; (d) make such appropriate and equitable adjustments to the terms of the Options granted under the New Share Option Scheme to the relevant Grantee as the Board deems necessary, and shall notify the relevant Grantee of such adjustment by written notice; and (e) make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the New Share Option Scheme.

**5. GRANT OF OPTIONS**

- 5.1 On and subject to the requirements of the Listing Rules and the terms of the New Share Option Scheme, the Board shall be entitled at any time and from time to time during the period within ten (10) years after the Adoption Date to make an Offer to any Participant as the Board may in its absolute discretion select, and subject to such conditions as the Board may think fit, which may include a condition that the Grantee shall not dispose of the Shares issued upon exercise of the Option within such period of time or under such conditions as the Board may at its absolute discretion determine, minimum period for which an Option must be held and performance targets that must be achieved before an Option can be exercised, to subscribe during the Option Period for such number of Shares as the Board may determine at the Exercise Price provided always that an Offer made to such Participant will not constitute an invitation to the public to subscribe for the Shares under any applicable legislations. For avoidance of doubt, save as determined by the Board in its sole discretion and provided in the Offer of the relevant Options, there is no performance target which must be achieved before any of the Options can be exercised.

- 5.2 An Offer shall be made to a Participant on a business day by letter in such form as the Board may from time to time determine, requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Participant concerned for a period of seven (7) days from the Date of Grant (inclusive of the Date of Grant) upon which provided that no such Offer shall be open for acceptance after expiry of the period of ten (10) years commencing on the Adoption Date or after the New Share Option Scheme has been terminated.
- 5.3 An Offer shall be deemed to have been accepted and an Option to which the Offer relates shall be deemed to have been granted and accepted and to have taken effect when a letter in such form as the Board may from time to time determine signifying acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within seven (7) days from the Date of Grant (inclusive of the Date of Grant). Such remittance shall in no circumstances be refundable.
- 5.4 Any Offer must be accepted in its entirety and can under no circumstances be accepted of less than the number of Shares for which it is offered. To the extent that the Offer of the grant of an Option is not accepted within seven (7) days in the manner indicated in paragraph 5.3 above, it will be deemed to have been irrevocably rejected by the Participant and the Offer shall lapse and become null and void.
- 5.5 No Offer shall be made after a price sensitive event of the Group has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced in accordance with the requirements of the Listing Rules. No Option may be granted during the period commencing one month immediately preceding the earlier of:
- (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
  - (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),
- and ending on the date of the results announcement as referred to in paragraph 5.5(ii) above. The period during which no Option may be granted will cover any period of delay in the publication of such results announcement.



**6. EXERCISE PRICE**

The Exercise Price in relation to each Option shall, subject to the adjustments referred to in paragraph 12, be a price solely determined by the Board and notified to a Participant and shall be at least the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a business day;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the Date of Grant; and
- (iii) the nominal value of a Share on the Date of Grant.

**7. EXERCISE OF OPTIONS**

7.1 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option (where the Grantee is a company, any change of its major shareholder or any substantial change in its management will be deemed to be a sale or transfer of interest as aforesaid). Any breach of the abovementioned restrictions will automatically render the Options lapsed.

7.2 Unless otherwise determined by the Board and specified in the terms of grant at the time of the Offer, there is no minimum period required under the New Share Option Scheme for the holding of an Option before it can be exercised. An Option may be exercised in whole or in part in the manner as set out in paragraphs 7.3 and 7.4 below by the Grantee (or, as the case may be, his legal personal representative(s)) giving notice in writing to the Company in such form as the Board may from time to time determine stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price of the Shares in respect of which the notice is given together with the reasonable administration fee specified by the Company from time to time. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the Auditors' certificate or the confirmation of the Financial Adviser (as the case may be) pursuant to paragraph 12, the Company shall issue and allot the relevant Shares, fully paid, to the Grantee (or his legal personal representative(s)).

- 7.3 Subject as hereinafter provided in the New Share Option Scheme, an Option may be exercised by the Grantee at any time during the Option Period, provided that:
- (i) in the event that the Grantee (being an individual) dies before exercising the Option in full, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement (to the extent which has become exercisable and not already exercised) within the period of 12 months following his death provided that where any of the events set out in paragraphs 7.3(iv), (vi) and (vii) occurs prior to his death or within such period of six (6) months following his death, then his personal representative(s) may so exercise the Option within such of the various periods respectively set out in such paragraphs instead of the period referred to in this paragraph 7.3(i) and provided further that if within a period of three (3) years prior to the Grantee's death, the Grantee had committed any of the acts as specified in paragraph 8(v) which would have entitled the Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option of the Grantee (to the extent not already exercised) by written notice to his legal personal representatives;
  - (ii) in the event that the Grantee is an employee of the Group when an Offer is made to him and he subsequently ceases to be an employee of the Group for any reason other than his death or the termination of his employment on one or more of the grounds specified in paragraph 8(v), the Option (to the extent not already exercised) shall lapse on the expiry of three (3) months after the date of cessation of such employment (which date will be the last actual working day with the Company or the relevant member of the Group whether salary is paid in lieu of notice or not);
  - (iii) in the event that the Grantee is an employee of the Group when an Offer is made to him and he subsequently ceases to be an employee by reason of a termination of his employment on one or more of the grounds specified in paragraph 8(v) and the Grantee has exercised the Option in whole or in part pursuant to paragraph 7.2, but Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Exercise Price for the Shares in respect of the purported exercise of such Option;
  - (iv) in the event of a general offer (other than by way of scheme of arrangement pursuant to paragraph 7.3(v) below) being made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becoming or being declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or his legal personal representative(s)) shall be entitled to exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, at any time within such period as shall be notified by the Company;

- (v) in the event of a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or his legal personal representative(s)) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company;
  - (vi) in the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Companies Law, Cap. 22 (Laws of 1961 as consolidated and revised) of the Cayman Islands as amended from time to time, the Company shall give notice thereof to all the Grantees (or where permitted under paragraph 7.3(i), his legal personal representative(s)) on the same day as it gives notice of the meeting to the Shareholders or its creditors to consider such a compromise or arrangement and the Options shall become exercisable on such date until the earlier of two (2) months after that date and the date on which such compromise or arrangement is sanctioned by the court of the Cayman Islands and becomes effective; and
  - (vii) in the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each Shareholder of the Company give notice thereof to all Grantees and thereupon, each Grantee (or, where permitted under paragraph 7.3(i), his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.
- 7.4 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment, save that the Shares allotted upon the exercise of any Option shall not carry any voting rights, or rights to participate in any dividends or distribution (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

**8. LAPSE OF OPTIONS**

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of any of the periods referred to in paragraphs 7.3(i), (ii), (iv), (vi) or (vii);
- (iii) subject to the scheme of arrangement (referred to in paragraph 7.3(v)) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 7.3(v);
- (iv) subject to paragraph 7.3(vii), the date of the commencement of the winding-up of the Company;
- (v) in the event that the Grantee is an employee of the Group when an Offer is made to him and he subsequently ceases to be an employee of the Group on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group, the date of cessation of his employment with the Group. A resolution of the Board or the board of directors of the relevant member of the Group to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 8(v) shall be conclusive and binding on the Grantee;
- (vi) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the Grantee, or conviction of the Grantee of any criminal offence involving his integrity or honesty;
- (vii) the date on which the Grantee commits a breach of paragraph 7.1; and
- (viii) where the Grantee is a substantial shareholder of any member of the Group, the date on which the Grantee ceases to be a substantial shareholder of such member of the Group.

**9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

9.1 Subject to paragraphs 9.2 and 9.3:

- (i) The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date, unless the Company obtains a fresh approval from the Shareholders pursuant to paragraphs 9.1(ii) or 9.1(iii). Options lapsed in accordance with the terms of the New Share Option Scheme shall not be counted for the purpose of calculating such 10% limit.
- (ii) The Company may seek approval by the Shareholders in general meeting for refreshing the 10% limit set out in paragraph 9.1(i). However, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval to refresh such limit. Options previously granted under any share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised Options) shall not be counted for the purpose of calculating the limit as refreshed. The Company shall send a circular to the Shareholders containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (iii) The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the 10% limit set out in paragraphs 9.1(i) or 9.1(ii) (as the case may be) provided the Options in excess of such limit are granted only to Participants specifically identified by the Company before such approval is sought. In such case, the Company shall send a circular to the Shareholders containing a generic description of the specified Participant(s) who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Participant(s) with an explanation as to how the terms of the Options serve such purpose, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- 9.2 Notwithstanding anything in paragraph 9.1 and subject to paragraph 10, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time. No Options may be granted under the New Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.
- 9.3 If the Company conducts a share consolidation or subdivision after the 10% limit set out in paragraphs 9.1(i) or 9.1(ii) (as the case may be) has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under all of the share option schemes of the Company under the 10% limit set out in paragraphs 9.1(i) or 9.1(ii) (as the case may be) as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

## **10. MAXIMUM ENTITLEMENT OF SHARES OF EACH PARTICIPANT**

- 10.1 Subject to paragraph 10.2, unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- 10.2 Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting. In such case, the Company must send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the Options to be granted (and Options previously granted to such Participant), the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the Exercise Price) of the Options to be granted to such Participant shall be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Exercise Price under paragraph 6.

**11. GRANTING OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OR ANY OF THEIR RESPECTIVE ASSOCIATES**

11.1 In addition to the Shareholders' approval set out in paragraphs 9 and 10, each grant of Options to a Participant who is a director, chief executive or substantial shareholder (all within the meaning as ascribed under the Listing Rules) of the Company or any their respective associates must be approved by the independent non-executive Directors of the Company (excluding the independent non-executive Director who is the Grantee).

11.2 Where any grant of Options to a Participant who is a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to the Participant under the New Share Option Scheme and any other share option schemes of the Company in the 12-month period up to and including the Date of Grant:

- (i) representing in aggregate more than 0.1% of the total number of Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders. In such case, the Company must send a circular to the Shareholders containing all the information as required under the Listing Rules. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, except that any such person(s) may vote against the relevant resolution(s) at the general meeting provided that his/her/its intention to do so has been stated in the circular referred to in paragraph 11.3. Pursuant to Rule 13.39(4) of the Listing Rules, any vote taken at the general meeting to approve the grant of such Options must be taken on a poll.

11.3 The circular to be issued by the Company to the Shareholders pursuant to paragraph 11.2 shall contain the following information:

- (i) details of the number and terms (including the Exercise Price) of the Options to be granted to each Participant, which must be fixed before the Shareholders' meeting, and the date of the Board meeting for proposing such further grant is to be taken as the Date of Grant for the purpose of calculating the Exercise Price under paragraph 7;



- (ii) a recommendation from the independent non-executive Directors of the Company (excluding the independent non-executive Director who is the Grantee) to the independent shareholders as to voting;
- (iii) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

11.4 Any change in the terms of Options granted to a Participant who is a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, must be approved by the Shareholders at general meeting. The requirements for the granting of Options to a Director or chief executive of the Company set out in this paragraph 11 do not apply where the Participant is only a proposed Director or chief executive of the Company.

## 12. REORGANISATION OF CAPITAL STRUCTURE

12.1 In the event of any alternation in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation issue, rights issue, subdivision or consolidation of shares or reduction of capital of the Company, such corresponding adjustments (if any) shall be made in:

- (i) the number of Shares subject to any outstanding Options;
- (ii) the Exercise Price; and/or
- (iii) the number of Shares in respect of which any further Options may be granted within the limits set out in the New Share Option Scheme,

as the Auditors or Financial Adviser shall certify or confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to the share option schemes (the “**Supplemental Guidance**”) (no such certification or confirmation is required in case of adjustment made on a capitalisation issue).

12.2 Any such alternations will be made on the basis that a Grantee shall have the same proportion of the issued share capital of the Company (as interpreted in accordance with the Supplemental Guidance) for which any Grantee of any Option is entitled to subscribe pursuant to the Options held by him before such alteration and the aggregate Exercise Price payable on the full exercise of any Option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as



consideration in a transaction is not to be regarded as a circumstance regarding any such alterations. Any adjustment to be made will comply with the Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

12.3 The capacity of the Auditors or the Financial Adviser (as the case may be) in this paragraph 12 is that of experts and not of arbitrators and their certification or confirmation shall be final and binding on the Company and the Grantees. The costs of the Auditors or the Financial Adviser (as the case may be) shall be borne by the Company.

12.4 Upon any adjustment pursuant to this paragraph 12, the Company shall notify the Grantees in writing the adjustments that have been made.

### **13. SHARE CAPITAL**

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

### **14. ALTERATION OF THE NEW SHARE OPTION SCHEME**

14.1 The New Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the New Share Option Scheme as to:

- (i) the definitions of “Participant”, “Grantee” and “Option Period”; and
- (ii) the provisions of paragraphs 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16 and this paragraph 14;

shall not be altered to the advantage of Grantees or prospective Grantees except with the prior sanction of the Shareholders by a resolution in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction such majority of the Grantees as would be required of the Shareholders under the Articles for a variation of the rights attached to the Shares.

14.2 Any alterations to the terms and conditions of the New Share Option Scheme, which are of a material nature, or any change to the terms of Option granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme. Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

14.3 Notwithstanding anything to the contrary contained in paragraphs 14.1 and 14.2, the Board may at any time alter or modify the New Share Option Scheme in any way to the extent necessary to cause the New Share Option Scheme to comply with any statutory provisions or the regulations of any regulatory or other relevant authority. Any amendment to any terms of the New Share Option Scheme or the options granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

## **15. TERMINATION**

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but Options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the New Share Option Scheme. Details of the Options granted, including Options exercised or outstanding, under the New Share Option Scheme and (if applicable) Options that become void or non-exercisable as a result of the termination are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking approval of the first new scheme established after such termination.

## **16. CANCELLATION**

Any cancellation of Options granted but not exercised may be effected on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) and in compliance with the terms of the New Share Option Scheme, in particular, within the limit approved by the Shareholders and, subject to the maximum number of Shares available for subscription referred to in paragraph 9.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**KINGWORLD MEDICINES GROUP LIMITED**

**金活醫藥集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 01110)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “**Extraordinary General Meeting**”) of Kingworld Medicines Group Limited (the “**Company**”) will be held at Conference Room, 9th Floor, Block A, Majialong Chuangxin Building, 198 Daxin Road, Nanshan District, Shenzhen, Guangdong Province, the PRC on Friday, 20 August 2021 at 10:00 a.m. for the purpose of considering, and if thought fit, passing the following resolution as an ordinary resolution of the Company, and unless otherwise defined herein, the terms herein shall have the same meanings as defined in the Circular:

#### **ORDINARY RESOLUTION**

“**THAT** subject to the approval of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the listing and trading of the shares of the Company (the “**Shares**”) to be allotted and issued upon the exercise of any share options granted under the new share option scheme (the “**New Share Option Scheme**”, a copy of which has been produced to the meeting and initialled by the Chairman of the meeting for identification purpose) specified in the circular of the Company dated 27 July 2021, the New Share Option Scheme be and is hereby approved and adopted as the share option scheme of the Company, and the directors of the Company be and are hereby authorised to take all necessary or appropriate steps to implement the New Share Option Scheme, including but not without limitation:

- (i) to administer the New Share Option Scheme under which share options will be granted to the Participants (as defined in the New Share Option Scheme) eligible under the New Share Option Scheme to subscribe for the Shares, including but not limited to determining and granting the share options in accordance with the terms of the New Share Option Scheme;
- (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (iii) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme provided that the maximum number of Shares which may be allotted and issued pursuant to the New Share Option Scheme is 10% of the total number of Shares in issue as at the date of passing of this resolution, but the Company may seek an approval from its shareholders in general meeting to refresh the 10% limit from time to time but provided always that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme(s) of the Company shall not in aggregate exceed 30% of the total number of Shares in issue from time to time;
- (iv) make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for the listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By order of the Board  
**Kingworld Medicines Group Limited**  
**Zhao Li Sheng**  
*Chairman*

Hong Kong, 27 July 2021

*Notes:*

1. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company but must be present in person to represent him.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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4. In the case of joint registered holders of a share in the Company, any one of such joint holders may vote, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
5. The register of members of the Company will be closed from Monday, 16 August 2021 to Friday, 20 August 2021 (both days inclusive) during which period no transfer of shares will be registered. To be qualified for attending and voting at the forthcoming Extraordinary General Meeting, all share transfer documents must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 13 August 2021.
6. Considering the outbreak of the coronavirus (COVID-19), certain measures will be implemented at the Extraordinary General Meeting with a view to addressing the risk to attendees of infection, including, without limitation, (i) all attendees being required to (a) undergo compulsory body temperature check; and (b) wear surgical masks prior to admission to the AGM venue; (ii) all attendees being required to wear surgical masks throughout the Extraordinary General Meeting; (iii) each attendee being assigned a designated seat at the time of registration to ensure social distancing; and (iv) no refreshment packs or coffee/tea being provided.
7. The Company reminds attendees that they should carefully consider the risks of attending the Extraordinary General Meeting, taking into account their own personal circumstances. The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the Extraordinary General Meeting.

*As at the date of this notice, the executive Directors are Mr. Zhao Li Sheng, Ms. Chan Lok San and Mr. Zhou Xuhua, and the independent non-executive Directors are Mr. Duan Jidong, Mr. Zhang Jianbin and Mr. Wong Cheuk Lam.*